

MAINE STATE LEGISLATURE

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Date: 6/4/17

Majority
TAXATION

L.D. 1856
(Filing No. H- 414)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to I.B. 2, L.D. 1856, Bill, "An Act To Allow a
Tax Credit for College Loan Repayments"

Amend the bill by incorporating the attached fiscal note.

SUMMARY

This amendment incorporates a fiscal note.

COMMITTEE AMENDMENT

ds.



123rd MAINE LEGISLATURE

LD 1856

LR 2619(02)

An Act To Allow a Tax Credit for College Loan Repayments

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Net Cost (Savings)				
General Fund	\$0	\$147,676	\$1,094,245	\$3,569,816
Revenue				
General Fund	\$0	(\$147,676)	(\$1,094,245)	(\$3,569,816)
Other Special Revenue Funds	\$0	(\$8,100)	(\$60,022)	(\$195,831)

Fiscal Detail and Notes

This is an initiated bill which cannot be amended to include any appropriations or allocations without becoming a competing measure. If the bill is either approved by the Legislature and signed into law by the Governor or approved by the voters in a statewide election in November, the 123rd Legislature will need to provide the necessary appropriations in separate legislation.

The bill provides a tax credit for certain educational loan payments and is available to eligible graduates and employers making loan payments on behalf of qualifying employees. Because unused credits may be carried over for up to 10 years and more graduates and employers are added to the program each year, the cost rises substantially over time. The General Fund revenue loss associated with the tax credit is estimated to be \$147,676 in fiscal year 2008-09, rises to \$9,100,000 in fiscal year 2011-12 and increases to \$62,900,000 by fiscal year 2017-18.

The bill requires the financial aid offices at the University of Maine System, the Maine Community College System and the Maine Maritime Academy, as well as all other accredited Maine junior colleges, colleges or universities, to administer parts of the Job Creation Through Educational Opportunity Program. The fiscal impact to each individual financial aid office can not be determined at this time. The Maine Community College System has indicated that it will require one additional full-time person at the Southern Maine Community College office and an average of a half-time person at each of its other financial aid offices for a total cost of approximately \$250,000 per year. The University of Maine System is not able to determine a fiscal impact until further aspects of the administrative requirements are more clearly defined. Additional costs to Maine Maritime Academy can be absorbed within existing

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budgeted resources. Maine Revenue Services will require an additional General Fund appropriation of \$61,016 in fiscal year 2008-09 for it's related administrative costs, including funds for one Tax Examiner position.

Additional costs to the State Board of Education associated with drafting the opportunity contract can be absorbed within existing budgeted resources.